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From:

Sent: Thursday, February 26, 2009 4:39:09 PM

To:

Cc:

Subject: RE: TMP question

1. The TMP designation on the return was invalid since that partner was not a member-manager under Treas. Reg. 301.6231(a)(7)-2. The remaining partner (an actual member-manager) would be TMP under the largest profits interest rule of section 6231(a)(7)(B). The POA designation of TMP was probably invalid if it did not comply with Treas. Reg. 301.6231(a)(7)-1(e).

2. Only a manager under state law can act for the TMP itself. The TMP's own TMP will not have such power since its TMP designation only gives its TMP certain powers with respect to other members, not the power to bind the state law entity itself - the TMP designation was invalid here as well since the designated person was not member. Nevertheless, that person can act for the TMP entity as its authorized manager under state law since its designation as manager under state law appears valid.